

Name _____ Date _____ Period _____

PURCHASING

Ch 23 Sec 1 – The Role of the Buyer

Organizational Buyers

- Buy goods _____, usually in much _____ quantities than the average consumer.
- Much of what they buy requires _____ and knowledge of the _____, especially in manufacturing and service departments.

Two types of markets

1. Industrial markets

- Buyers may be called _____, industrial buyers, or _____ managers.
- They buy goods or services _____ rather than to resell them.

Bill of materials

- The _____ necessary to make one unit of product.

Purchasing Manager

- Responsible for _____ ((MRP) which includes an analysis of when to make the purchases so they are available when needed.

2. Resellers

- Wholesaler and retailer operations that _____.
- _____
- _____ customer needs
- _____ the necessary products
- They must plan _____ of the selling season

Six-month merchandise plan

- The _____ planned purchases for a six-month period.
- Planned _____
- Sales _____ and _____ figures.

Beginning of the month inventory

- The _____ to accommodate sales volume.
- Last years _____ to last years BOM.

End of the month inventory

- The _____ figure for any given month is the _____ figure for the _____ month.

Planned retail reductions

- _____ in the selling price and _____ of merchandise caused by clerical mistakes, _____, or customer _____.
- An _____ must be purchased to _____ for the shortage _____ the reductions.

Planned purchases

- Formula for planned purchases:

■ _____

Open-to-buy

- The amount of money left for buying goods after all other expenses have been considered.

■ _____

Purchases for chains

Centralized buying

- _____ buying – purchasing for _____ operation, usually in a _____.
- Creates a _____ through identical products in each store.
- _____.
- Can _____ to accommodate needs.

Decentralized buying

- When _____ for retail decisions is made at _____ in the organization.
- _____ buying for their stores.

Government units

- Federal , state or local _____ responsible for purchasing goods and services.
- One of _____ for retail goods and services.

Institutions

- _____